

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

November 22, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:01 p.m. and announced recess to Executive Session for approximately 15 minutes to discuss one item of potential litigation.

The meeting resumed at 6:24 p.m. with Mayor Marshall presiding. Mayor Marshall wished everyone a "Happy Thanksgiving."

2. Oral Communications

- (a) Kathy Gwilym, West Bellevue Community Club, spoke also on behalf of Surrey Downs Community Club, Northtowne Community Club, and the 108<sup>th</sup> Avenue SE Association. Ms. Gwilym urged Council to require Puget Sound Energy to locate additional electrical service facilities serving the central business district within the downtown and not in residential areas.
- (b) Rich Wagner encouraged Council to prevent expansion of the Lochleven substation and to work with Puget Sound Energy to develop a long-range plan for expanding substation capacity within the downtown and not in residential neighborhoods.
- (c) Virginia Richardson, Telos, explained that the organization provides classes for senior citizens and has been using space in the City's Northwest Arts Center for 25 years. The group has recently been asked to relocate to either the 148<sup>th</sup> Avenue NE Community and Senior Center or to Bellevue Community College's north campus, which will increase the cost of providing classes. Ms. Richardson requested Council's help to continue offering classes at Northwest Arts Center.

Mayor Marshall asked the City Manager to prepare a management brief on this matter.

- (d) Leslie Schofield described a water bill she received in May 2004 for \$10,467.15. She first received an unusually high bill in March and subsequently found and repaired a water leak. She received notice from Bellevue's Utilities Department in April regarding high water usage and the \$10,000 bill. Ms. Schofield feels the City should have notified her in February when her meter was read to indicate a problem with either the meter or a water leak. She offered to pay for the water at the wholesale price and feels her sewer rates should not be increased next year because none of the water went into the sewer.

3. Study Session

(a) Council New Initiatives

No new initiatives were discussed.

(b) Sky Bridge Location and Design Plan

Carol Helland, Land Use Director, recalled staff's August 2<sup>nd</sup> presentation to Council regarding the Lincoln Square pedestrian bridge proposal.

Patti Wilma, Land Use Manager, explained that the project's public benefit will be met in three ways: 1) The sky bridge improves pedestrian mobility, 2) The bridge does not detract from street-level activity, and 3) The bridge functions as part of the public realm. Ms. Wilma noted the development standards provided in the meeting packet.

Lori Riordan, Interim City Attorney, explained that the ordinance adopted by Council permitting the sky bridge requires that a legal recordable agreement be entered into between the City and the property owner for the use of airspace. The draft agreement is provided beginning on page 3-15 of the Council packet. The agreement requires that property adjoining the bridge be subject to a non-exclusive right of pedestrian use and access during the hours of operation. The property owner may impose rules regarding the bridge as long as they do not conflict with the right to public access. The term of the agreement is 50 years, with the potential for three 10-year extensions. Annual permit payments of \$16,000 (with an escalator clause) will be due on January 15 of each successive year of the permit. The property owner will be allowed to provide in-kind services including landscaping and maintenance services in lieu of direct payment of the annual permit fee.

Ms. Riordan said agreement has not been reached with the property owner regarding signage and a provision that the City could terminate the agreement if the airspace or right-of-way is ever needed for a public purpose. The City proposes that compensation for early termination be based on a 15-year depreciation period. The property owner prefers a 50-year depreciation period. The initial cost of the sky bridge is \$1,055,550. The property owner feels there should be a disincentive for the City to terminate the sky bridge agreement before the 50-year term is completed.

Councilmember Lee spoke in favor of allowing wayfinding and public access signage as proposed by staff but to not allow any additional signage. Mr. Degginger concurred.

Ms. Balducci suggested a provision that additional signage must be approved by both the City and the property owner.

Dr. Davidson is opposed to signage on the bridge. Mayor Marshall noted Council consensus to not allow signage beyond wayfinding and public access signs.

Regarding the proposed depreciation period in the event of an early termination of the agreement by the City, Mr. Chelminiak suggested a period of 20 to 25 years. Ms. Riordan said the 15-year period was reached as a compromise. She noted the City is not obligated to compensate the property owner at all for an early termination of the agreement. Deputy Mayor Noble concurred with Mr. Chelminiak's suggestion.

Mr. Lee feels 15 years does not provide sufficient certainty to the property owner regarding this substantial investment.

Responding to Ms. Balducci, Ms. Riordan clarified that the property owner is eager to receive approval of the pedestrian bridge design and permit by the end of the year.

Mayor Marshall expressed support for the bridge design and suggested a 25-year depreciation period as a compromise. Council concurred and suggested staff continue negotiations with the property owner. Council action is scheduled for December 6.

(c) 2004 Comprehensive Plan Update and Accompanying Land Use Code Amendments

- (1) Motion to approve/not approve amending Policy S-DT-132 as described in Option 1, which eliminates references to transit service providers.

Planning Director Dan Stroh noted Council's ongoing discussions regarding the 2004 Comprehensive Plan update and accompanying Land Use Code amendments. He referenced page 3-24 of the Council packet, which provides staff's revised language regarding minimum density within the Land Use Element based on previous Council discussion.

Councilmembers discussed policy S-DT-132 regarding a downtown circulator service.

- ➡ Deputy Mayor Noble moved to approve policy S-DT-132 as follows: "Explore ways of providing the most effective transportation services and marketing programs for trips between major retail, office, and transit facilities Downtown, as well as activity areas on the edge of Downtown such as Overlake Hospital." Mr. Degginger seconded the motion.
- ➡ The motion to approve policy S-DT-132 carried by a vote of 7-0.

- (2) Ordinance No. 5563 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the General Elements (Volume 1) including the Introduction, Citizen Participation, Land Use, Housing, Capital Facilities, Utilities, Transportation, Economic Development, Environmental, Human Services, Parks Open Space and Recreation, Urban Design, and Annexation, and including the Glossary to the Plan.

Mr. Stroh briefly reviewed Ordinance No. 5563, which amends the General Elements and Glossary of the Comprehensive Plan. Previous Council direction has been incorporated into the plan.

Mr. Stroh said the Planning Commission recommends revisions to the Utilities Element based on current discussions regarding expansion of the Lochleven substation. However, the substation's expansion has already been vested under existing policies and the new plan provisions will not apply to this existing application with the City.

Mayor Marshall questioned what the Council can do to prevent a residential area substation expansion in the future. Mr. Stroh said new recommended policies in the Utilities element will put the City in a stronger position to protect neighborhoods. Additional options include engaging Puget Sound Energy in discussions to modify the franchise system plan before the 13-year deadline, adopting more policy revisions to the Utilities Element during the next seven-year update of the Comprehensive Plan, and exploring the option of requiring an annual Comprehensive Plan amendment (CPA) for substation facilities. The last option requires a finding of changed circumstances to warrant a CPA.

Dr. Davidson commented on policy UT-73's [Numbering later changed to UT-72] reference to "non-residential areas." He noted Bellevue's downtown area includes residential buildings and wondered if the language accurately reflects the intent of the policy. Mr. Stroh suggested changing the reference to "mixed use and commercial" areas.

Councilmember Balducci noted extensive public comment that the City should work with Puget Sound Energy to develop a satisfactory system plan that will protect neighborhoods and provide a stable electrical source for the downtown. She suggested undertaking this effort separate from work on the Comprehensive Plan. Mr. Lee suggested conducting this planning effort now.

Mr. Degginger said policy UT-73 should go further and explicitly discourage substation expansion in single-family neighborhoods.

Mr. Chelminiak agrees with Dr. Davidson's suggestion above. He feels Puget Sound Energy's electrical system plan should be revised before 2013.

Responding to Mayor Marshall, Ms. Riordan said the Lochleven application for a conditional use permit will be considered by the Hearing Examiner. If appealed, Council will be asked to take action as a quasi-judicial matter. Ms. Riordan said Council is not prohibited from discussing the matter in an open public session. The goal of the appearance of fairness doctrine is to prevent secret discussions between a Councilmember and a proponent or opponent of the application.

Mr. Noble concurred with Mr. Degginger's suggestion for stronger language to discourage substation expansion in single-family neighborhoods.

Responding to City Manager Steve Sarkozy, Mr. Stroh said the deadline for adoption of 2004 Comprehensive Plan amendments is December 1.

Mayor Marshall suggested moving forward with the agenda and returning to this item later in the evening.

- (3) Ordinance No. 5564 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the Downtown Subarea Plan and the Downtown Transportation Facilities Plan by combining these plans into a single Downtown Subarea Plan.

Mr. Stroh briefly reviewed the action to be accomplished with Ordinance No. 5564.

- Deputy Mayor Noble moved to adopt Ordinance No. 5564, and Mr. Degginger seconded the motion.
- The motion to adopt Ordinance No. 5564 carried by a vote of 7-0.

- (4) Ordinance No. 5565 authorizing adoption of the 2004 amendments to the Comprehensive Plan deleting the Evergreen Highlands Subarea Plan, and transferring those areas remaining in Bellevue within the deleted Subarea Plan to the adjacent Crossroads and Northeast Bellevue Subareas; amending these adjacent Subarea Land Use Maps by adding Office (Crossroads) and Single Family-High (Northeast Bellevue) designations, and amending these adjacent Subarea Plans to include policies with continued relevance.

Mr. Stroh requested Council action on Ordinance No. 5565, which deletes the Evergreen Highlands Subarea Plan and transfers the areas remaining in Bellevue to the adjacent Crossroads and Northeast Bellevue Subarea Plans. He noted an error in the ordinance in the meeting packet and the corrected version of the ordinance in Council's desk packet.

- Deputy Mayor Noble moved to adopt Ordinance No. 5565, as corrected by the desk packet version of the ordinance. Ms. Balducci seconded the motion.
- The motion to adopt Ordinance No. 5565 carried by a vote of 7-0.

- (5) Ordinance No. 5566 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the Bel-Red/Overlake Transportation Facilities Plan.

Mr. Stroh said Ordinance No. 5566 amends the Bel-Red Overlake Transportation Facility Plan (TFP) and provides updated policies and a project list as a result of the Bel-Red Overlake Transportation Study (BROTS) north-south corridor study.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5566, and Mr. Chelminiak seconded the motion.

➡ The motion to adopt Ordinance No. 5566 carried by a vote of 7-0.

- (6) Ordinance No. 5567 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the East Bellevue Transportation Facility Plan.

Mr. Stroh said Ordinance No. 5567 amends the East Bellevue Transportation Facility Plan and provides updated policies and a project list as a result of the Eastgate/I-90 corridor study and 148<sup>th</sup> Avenue mobility study.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5567, and Ms. Balducci seconded the motion.

➡ The motion to adopt Ordinance No. 5567 carried by a vote of 7-0.

- (7) Ordinance No. 5568 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the Bridle Trails Subarea Plan Map from P/MF-M to P/SF-L on property located at the Bellevue Municipal Golf Course.

Mr. Stroh said Ordinance No. 5568 amends the zoning designation for property located at Bellevue Municipal Golf Course from P/MF-M (Public facility/multifamily-medium density) to P/SF-L (single family-low) on the Bridle Trails Subarea Plan Map.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5568, and Mr. Chelminiak seconded the motion.

➡ The motion to adopt Ordinance No. 5568 carried by a vote of 7-0.

- (8) Ordinance No. 5569 authorizing adoption of the 2004 amendments to the Comprehensive Plan amending the Wilburton/NE 8<sup>th</sup> Street Subarea Plan Map from P/SF-L to MF-M on property located at the Wilburton Park Apartments.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5569, and Mr. Degginger seconded the motion.

➡ The motion to adopt Ordinance No. 5569 carried by a vote of 7-0.

- (9) Ordinance No. 5570 authorizing adoption of the City's 2004 amendments to the Comprehensive Plan as separately set forth in Ordinance Nos. 5563, 5564, 5565, 5566, 5567, 5568, and 5569.

[Council action was deferred.]

- (10) Resolution No. 7106 regarding the progress in updating the Critical Areas policies and regulations, as required by RCW 36.70A.130.

Mr. Stroh explained that Resolution No. 7106 documents the City's progress regarding critical areas Land Use Code amendments.

➡ Deputy Mayor Noble moved to approve Resolution No. 7106, and Mr. Chelminiak seconded the motion.

➡ The motion to approve Resolution No. 7106 carried by a vote of 7-0.

At 7:40 p.m., Mayor Marshall declared a short break. The meeting reconvened at 7:46 p.m.

- (d) 2005-2006 Operating Budget and 2005-2011 Capital Investment Program (CIP) Plan Review and Discussion

Mr. Sarkozy briefly reviewed budget reductions over the past three years and ongoing policies and principles guiding the overall budget process. The 2005-2006 operating budget responds to Council's priorities for no increase in property taxes, a net reduction in full-time equivalent (FTE) positions, and limiting expenditure growth.

Finance Director Jan Hawn referenced packet materials beginning on page 3-55 regarding answers to questions previously raised by Council.

Dr. Davidson feels sales tax from major development projects should be reflected in the operating budget. He acknowledged that health benefits and state pension costs are significant (\$5 million) but noted they represent less than one percent of the proposed budget (\$635 million).

Dr. Davidson referenced page 2-104 of the Preliminary Budget Details book and questioned the "misc. services" line item. Budget Manager Jonathan Swift said the category/dollar amount represents the General Fund contingency.

Mr. Sarkozy led Council through a discussion of a spreadsheet listing optional budget items yet to be determined by Council. He noted projected shortfalls of \$860,000 in 2005 and \$1.02 million in 2006.

Mr. Sarkozy requested Council direction regarding the proposed critical areas notebook. Mayor Marshall suggested staff seek grant funding for this item.

- ➡ Deputy Mayor Noble moved to delete the critical areas notebook from the budget and to encourage staff to seek alternative funding for this item. Ms. Balducci seconded the motion.

Mr. Degginger expressed concern about imposing critical areas regulations on citizens without providing some assistance in complying with the rules.

Mr. Noble feels the notebook is a good idea but not a necessity.

- ➡ The motion to delete the critical areas notebook from the budget and to encourage staff to seek alternative funding for this item carried by a vote of 5-2, Dr. Davidson and Mr. Degginger dissenting.

Mr. Sarkozy noted \$200,000 budgeted in both 2005 and in 2006 for economic development activities.

Mr. Chelminiak is not convinced that creating a high-level economic development staff position is the best way to have an impact on economic development. He feels there might be better uses for these funds.

- ➡ Councilmember Lee moved to budget \$200,000 in 2005 and \$200,000 in 2006 for economic development activities. Mayor Marshall seconded the motion.

Mr. Degginger will support the motion. However, he will not support any expenditures until Council and staff develop an economic development plan.

Mayor Marshall said the plan will determine whether a staff person will be hired. Dr. Davidson concurred. Mr. Sarkozy confirmed that the budget allocations do not automatically assume a new position will be created.

Mr. Lee feels an emphasis on economic development will produce citywide benefits.

Responding to Mr. Chelminiak, Mr. Sarkozy said economic development funds budgeted in 2003 and 2004 were not spent.

Ms. Balducci expressed support for the motion, which she feels will benefit both neighborhoods and businesses.

- ➡ The motion to budget \$200,000 in 2005 and \$200,000 in 2006 for economic development activities carried by a vote of 6-1, with Dr. Davidson dissenting.

Mr. Sarkozy noted page 3-60 of the Council packet regarding the fire inspection services proposal and briefly reviewed the fee (including no fee) options.

Mr. Chelminiak recalled previous Council discussions on this issue, as well as more recent information indicating that annual fire inspections are a minor factor in community fire insurance



ratings. He is open to considering inspections on an alternate schedule that could be accommodated by existing staff. Councilmembers Degginger and Lee concurred.

Mayor Marshall would like staff to explore options for increasing self-inspections and increasing the length of time between inspections.

- ➡ Mr. Lee moved to eliminate the fire inspection services fee proposal. Mayor Marshall seconded the motion.

Deputy Mayor Noble supports the motion but encouraged continued monitoring of this issue. Ms. Balducci concurred.

Dr. Davidson will not support the motion. He feels fire inspections are an essential service and the cost should be covered within the General Fund.

- ➡ The motion to eliminate the fire inspection services fee proposal carried by a vote of 6-1, with Dr. Davidson dissenting.

Mr. Sarkozy noted the next proposal for Council action regarding false alarm fees. The fee schedule is not driven by a desire for revenue but rather to decrease the need for police officers and fire personnel to respond to false alarms, making them better available to respond to legitimate emergencies.

- ➡ Mr. Degginger moved to approve the false alarm fee proposal in the 2005-2006 budget. Mr. Lee seconded the motion.

Mr. Noble clarified that the item no longer includes a previously proposed alarm registration requirement and fee.

- ➡ The motion to approve the false alarm fee proposal in the 2005-2006 budget carried by a vote of 7-0.

Mr. Sarkozy requested Council discussion of any other budget priorities or initiatives. Mayor Marshall noted the request for additional funding (\$103,000) for the Cultural Compass plan.

Responding to Mr. Chelminiak, Planning and Community Development Director Matt Terry clarified that the Cultural Compass plan will be partly funded through approximately \$200,000 in the Capital Investment Program (CIP) Plan as well.

Dr. Davidson said he is uncomfortable discussing budget expenditures without first discussing revenue options. His approach to budgeting is to make the expenditures fit within available resources. Mr. Sarkozy noted that Council's discussion of expenditures will guide decisions regarding new revenue sources and Council can adjust its decisions on both expenditures and revenues once the entire list of options is reviewed.

Responding to Dr. Davidson, Mr. Sarkozy said contract employees covers a fairly broad range of positions including those providing ongoing services (maintenance) and contractors hired for short-term or specific services. Reductions in contracting services have been made in the process of balancing the budget over the past three years.

Moving on, Mayor Marshall requested Council feedback regarding the Arts Commission's request for funding.

- ➡ Mr. Lee moved to approve funding of \$103,000 in the 2005-2006 operating budget for Cultural Compass Plan implementation. Mrs. Marshall seconded the motion.

Mr. Chelminiak feels there was insufficient detail in the implementation proposal regarding specific expenditures.

- ➡ The motion to approve funding in the 2005-2006 budget for Cultural Compass Plan implementation failed by a vote of 3-4, with Mayor Marshall and Councilmembers Balducci and Lee in favor.

Turning to revenue options and additional alternatives for reducing expenditures, Mayor Marshall noted the option to not contribute to the Rainy Day fund during the next two-year budget.

- ➡ Mr. Lee moved to not contribute to the Rainy Day Reserve fund as proposed in the 2005-2006 operating budget, and Mayor Marshall seconded the motion.

Responding to Mr. Degginger, staff confirmed that the Rainy Day Reserve fund currently contains \$4.4 million.

- ➡ The motion to not contribute to the Rainy Day Reserve fund as proposed in the 2005-2006 operating budget carried by a vote of 7-0.
- ➡ Dr. Davidson moved to delete the proposed cable utility tax from the 2005-2006 operating budget, and Mr. Lee seconded the motion.

Responding to Mr. Degginger, Dr. Davidson said sales tax to be generated by major development projects will provide additional revenue not reflected in the budget.

Deputy Mayor Noble expressed support for the City's policy to not include construction-related sales tax revenue in the operating budget. Councilmembers expressed an interest in reviewing and discussing this policy in the future.

- ➡ The motion to delete the proposed cable utility tax from the 2005-2006 operating budget carried by a vote of 5-2, with Deputy Mayor Noble and Councilmember Balducci dissenting.

- ➡ Mr. Lee moved to reflect construction-related sales tax revenue estimated at \$1.1 million in the 2005-2006 operating budget, and Dr. Davidson seconded the motion.
- ➡ The motion to reflect construction-related sales tax revenue estimated at \$1.1 million in the 2005-2006 operating budget failed by a vote of 2-5, with Dr. Davidson and Mr. Lee in favor.

Mr. Sarkozy questioned Council's interest in considering other tax increases, including utility taxes.

Mr. Degginger commented that a cable utility tax affects residences but other utility taxes have a broader base throughout both business and residential communities.

Deputy Mayor Noble noted that Bellevue's electric, gas, water, sewer, and storm utilities tax rate of 4.5 percent is lower than neighboring jurisdictions.

Dr. Davidson is not in favor of increasing taxes, particularly since the region is experiencing economic recovery.

Following additional Council discussion, Mayor Marshall said Council will finalize its budget discussion during a Special Meeting on November 29.

Ms. Hawn briefly reviewed four proposed Capital Investment Program investments:

- Urban corridor/High-capacity transit study - \$982,000.
- Eastgate Subarea Plan - \$125,000.
- NE 10<sup>th</sup> Street extension - \$4 million.
- Neighborhood Investment Strategy - \$500,000.

Mr. Degginger expressed concern that the proposed Eastgate Subarea Plan study/update is too narrow in scope to be useful.

- ➡ Mr. Degginger moved to delete the Eastgate Subarea Plan study and update from the CIP budget, and Mr. Chelminiak seconded the motion.

Ms. Balducci feels the review should include a focus on retail and neighborhood business needs. Mr. Degginger encouraged a study of both commercial and residential areas.

Mr. Terry said staff will better define the scope of the study and provide additional information for Council next week.

- ➡ Mr. Degginger withdrew his motion.

Dr. Davidson feels funding for planning studies should be allocated in the operating budget instead of the CIP Plan.

- At 9:55 p.m., Mr. Noble moved to extend the meeting to 11:00 p.m. Ms. Balducci seconded the motion.
- The motion to extend the meeting to 11:00 p.m. carried by a vote of 7-0.

Mayor Marshall brought Mr. Stroh back to the table to continue discussion regarding utilities policies and electrical facilities/capacity. Mr. Stroh said staff recommends deleting Policy UT-73 and scheduling a public hearing on a more aggressive policy in line with Council direction. He suggested adopting the remainder of the Comprehensive Plan amendments tonight and initiating an emergency CPA regarding UT-73 on December 6. Mr. Stroh cautioned that if the policy were rewritten now, it would not fit within the scope of the public hearing and process followed to date.

Mr. Degginger noted the policy was reviewed by the Planning Commission and the subject of a public hearing. Mayor Marshall said the protection of neighborhoods is a fundamental underlying objective of the Comprehensive Plan, and the policy focuses on protecting neighborhoods.

Mr. Stroh said staff's discussion tonight determined that the revision requested by Council goes beyond the range of options discussed by the Planning Commission and considered in the public hearing.

Mayor Marshall requested a legal opinion from staff. She noted public comment strongly discouraging the expansion of electrical substations in single-family neighborhoods.

Ms. Riordan clarified that she is not familiar with the full text of the notice provided to the public regarding the issue and the public hearing. She acknowledged the danger in exceeding the scope of the notice and public hearing, which could make the policy vulnerable to a challenge by Puget Sound Energy. Ms. Riordan noted Council's interest in working with PSE to revise its system plan earlier than 2013. The proposed policy will not accomplish this goal. Ms. Riordan suggested initiating a dialogue with PSE to review the system plan.

Responding to Mayor Marshall, Mr. Stroh said if an emergency CPA is initiated by Council on December 6, staff could bring the issue back to Council in late February following a 60-day comment period.

Dr. Davidson questioned whether Council's policy debate will jeopardize any future potential quasi-judicial action regarding expansion of the Lochleven substation. Ms. Riordan said if the Lochleven application is appealed and comes before Council, the matter would be considered within the context of current Comprehensive Plan policies. She said Council's current discussion is not germane to the specific Lochleven application.

Mr. Degginger opined that the change in wording does not represent a change in scope of the policy.

Mr. Terry clarified that staff is committed to helping Council achieve its desired policy objective with the least potential for disruption in the CPA process. He noted Council's option to proceed with its desired policy language, with the awareness of staff's recommendation regarding the potential risk.

Following additional brief discussion, Mayor Marshall noted Council consensus to postpone action on Ordinance No. 5563 and Ordinance No. 5570 until next week.

(e) Regional Issues

Utilities Director Brad Miyake referenced the memo in Council's desk packet regarding the Washington State Department of Transportation's (WSDOT) environmental investment program. He recalled discussion in July regarding WSDOT's preliminary decision to select Lake Sammamish State Park as the I-405 mitigation project. At that time, Council provided direction to staff to write a letter of objection to this plan. WSDOT has now chosen the Kelsey Creek project in Bellevue instead of the Lake Sammamish project.

Responding to Mr. Chelminiak, Mr. Miyake said the scope of WSDOT's Kelsey Creek project has not yet been fully defined.

Diane Carlson, Director of Intergovernmental Relations, referred Council to page 3 of the Regional Issues packet and noted a revised Regional Mobility Interest Statement in the desk packet.

- ➡ Deputy Mayor Noble moved to adopt the Regional Mobility Interest Statement provided in Council's desk packet, and Mayor Marshall seconded the motion.
- ➡ The motion to adopt the Regional Mobility Interest Statement carried by a vote of 7-0.

Ms. Carlson moved on to page 9 regarding extension of the Fire Protection Service Agreement with the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point through 2011.

- ➡ Deputy Mayor Noble moved to direct staff to develop a resolution authorizing the City Manager to extend the Fire Protection Services Agreement with Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point for the period 2006-2011. Mr. Degginger seconded the motion.
- ➡ The motion to direct staff to develop a resolution authorizing the City Manager to extend the Fire Protection Services Agreement with Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point for the period 2006-2011 carried by a vote of 7-0.

Moving to page 13 of the Regional Issues packet, Ms. Carlson noted a proposal to form a nonprofit health care partnership that will work to improve the quality of health care and patient health and to reduce the overall cost of health care in the Puget Sound region. Staff recommends the City join the partnership.

Yvonne Tate, Human Resources Director, said the Puget Sound Health Partnership is a broad-based leadership group of employers who have joined together to address: 1) increased health care costs, 2) the quality of care provided by health professionals, and 3) the importance of improving the health of the community. Intended outcomes include reduced health care costs, helping employees to become better informed health care consumers, and sharing information with providers to improve healthy outcomes.

Bellevue's initial contribution to the partnership is \$13,000, which is based on \$5 per employee. This equates to less than .5 percent of the City's \$12 million health fund budget. Ms. Tate noted that other regional coalitions in the country have been successful in reducing health care costs. She feels Bellevue's early involvement in the partnership will best enable the City to influence decisions and activities.

Responding to Mr. Degginger, Ms. Tate said utilization will be addressed by working to make employees better informed and more cost-effective consumers of health care and by sharing information with providers to enhance uniformity and cost efficiency in the delivery of health care services.

Councilmember Balducci expressed support for the City's involvement in the partnership. Mr. Lee concurred.

Mayor Marshall said her initial impression upon reading the packet materials was that the proposal sounded like a database research project by the University of Washington, to be funded through employer partners. She noted that treatment guidelines only work if patients follow the guidelines. She is concerned this will create an unfunded mandate for hospitals and health care providers to comply with providing data to the partnership. She said medical groups are already focused on efficiency issues including avoiding the duplication of procedures. Mayor Marshall cautioned the partnership will likely become more costly over time without any assurance of meaningful outcomes.

Mayor Marshall would prefer Bellevue not be an early partner. She noted Council contributed approximately \$10,000 two years ago toward a juvenile crime prevention initiative, and Council has never heard anything about the group's progress or outcomes since that time. She is not interested in this investment given the current difficult budget process.

Ms. Tate said the partnership is not intended to address physician protocols. Rather, the purpose is to gather and share data for the benefit of employers, employees, and health care providers.

Ms. Balducci reiterated her position that this would be a worthwhile effort toward controlling health care costs.

Mr. Degginger stated he is not ready to take action on the proposal tonight. Mayor Marshall noted Council consensus to revisit this issue in the future.

Moving to the proposed second amendment to the Yakima Jail Services Interlocal Agreement, Ms. Carlson said the amendment will reduce the fee for up to 100 beds of the 440-bed commitment.

- ➡ Deputy Mayor Noble moved to direct staff to prepare a resolution approving the proposed second amendment to the Interlocal Agreement with Yakima County, and Mayor Marshall seconded the motion.
- ➡ The motion to direct staff to prepare a resolution approving the second amendment to the Jail Services Interlocal Agreement with Yakima County carried by a vote of 7-0.

Turning to page 39 of the Regional Issues packet, Ms. Carlson requested Council direction to prepare a resolution approving the 2005 State Legislative Agenda and the 2005 State Legislative Statement of Policy. She noted a revised version in Council's desk packet.

- ➡ Deputy Mayor Noble moved to direct staff to prepare a resolution approving the 2005 State Legislative Agenda and the 2005 State Legislative Statement of Policy. Ms. Balducci seconded the motion.
- ➡ The motion to direct staff to prepare a resolution approving the 2005 State Legislative Agenda and the 2005 State Legislative Statement of Policy carried by a vote of 7-0.

Mayor Marshall declared the meeting adjourned at 10:47 p.m.

Myrna L. Basich  
City Clerk

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